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SUBJECT: SINGAPORE, CHINA PLAN DIALOGUE TO DISCUSS ECONOMIC
RECOVERY

¶1. (SBU) Summary: Singapore and China will hold a joint economic dialogue in early 2010 to discuss recent experiences dealing with the financial crisis and economic slowdown, and plans to reorient their economies post-recession. Singapore officials are still developing plans for the hastily proposed idea, but envision the dialogue as a one-time seminar where economic experts from both sides can interact and share experiences. The dialogue will not cover bilateral issues or replace an already existing Joint Commission on Bilateral Cooperation that Singapore has with China. End Summary.

¶2. (SBU) During a September 9 visit to China, Senior Minister Goh Chok Tong proposed the two countries hold high-level discussions early next year on post-recession economic strategy. Goh made the off the cuff proposal as he realized that China and Singapore faced similar challenges on restructuring a post-recession economy. Although details are still vague, the dialogue will likely be led at the ministerial level, but will be in the format of a seminar rather than a meeting of ministers. The dialogue is intended to be a one-off affair.

¶3. (SBU) Although the tentative name for the planned discussions is the Economic Strategies Dialogue, it would not be similar to the U.S.'s Strategic & Economic Dialogue with China, said Tracy Chan, Assistant Director for Northeast Asia at the Ministry of Foreign Affairs. Chan told Econoff that the dialogue would not include bilateral economic issues, but rather serve as a forum to discuss domestic responses to the financial crisis and challenges for restructuring economies post-recession. Singapore envisions a session with ten to twenty government economic experts from each side giving presentations on their experiences. Chan stressed that the dialogue was still in the conceptual phase and the Ministry was still developing a concept paper to guide the planning.

¶4. (SBU) Frederick Choo, Head of International Relations for the Ministry of Finance, said that his Ministry would likely lead the discussions, but that it was too early to discuss potential topics. He said Singapore expected to present findings from its recently formed Economic Strategies Committee, a public/private committee established in July to develop ideas for reorienting Singapore's economy post-recession. The Committee plans to issue its preliminary recommendations in January. Senior Minister Goh suggested to the press that topics would likely include whether to shift economies from export-led to focusing on domestic markets, and issues surrounding use of the U.S. dollar as a reserve currency. Chan said that discussion items could also deviate from economic issues and cover topics such as education and health care as they relate to economic restructuring.

¶5. (SBU) Singapore and China already hold regular annual meetings under the Joint Commission on Bilateral Cooperation, which covers

the progress of joint projects Suzhou Industrial Park and Tianjin Eco-City. MFA's Chan said that the new dialogue would not overlap with the activities of the Joint Commission. The GOS also does not expect the Economic Strategies Dialogue to result in any new joint projects.

SHIELDS